

Written Statement of  
**Amy Fitterer, Executive Director, Dance/USA**

**Committee on Ways and Means, United States House of Representatives**  
**Hearing on Tax Reform and Charitable Contributions**  
February 14, 2013

Mr. Chairman and distinguished members of the Committee, I am grateful for the opportunity to submit testimony on behalf of Dance/USA, its Board of Directors and its 500 members, representative of dance groups, arts presenters, educational institutions, and individuals. We strongly urge you to preserve charitable giving incentives, including the charitable deduction and the IRA Charitable Rollover, provisions that encourage individuals to support nonprofits that make their communities healthy and increase the quality of life. The testimony and the examples from members described below are intended to highlight the importance of the role these giving incentives have on nonprofit arts organizations, so critical to sustaining a vibrant cultural community throughout the country.

Dance/USA believes that dance is essential to a healthy society, demonstrating the infinite possibilities for human expression and potential, and facilitating communication within and across cultures. Our members represent the breadth of the dance field and include ballet, modern, ethnic, jazz, and tap companies. Additionally, dance groups range in budget size from under \$50,000 to well over \$15 million.

On average, according to 2010 data, 47% of the income for 299 dance companies with budgets over \$100,000 came from private contributions. With public dollars decreasing, and as most grants do not fund organizational overhead, these contributions are essential for employing almost 13,000 individuals and paying approximately \$316 million, or 54% of expenses, in wages and benefits. When individuals contribute to a dance group, they are not supporting wealthy patrons; they're supporting free and reduced cost performances for children and families; arts education partnerships with schools and youth organizations; and a nonprofit organization that serves as both an employer and an economic driver in the community.

In December, Dance/USA participated in an advocacy day as a partner in the Charitable Giving Coalition. One of our participating members who joined us that day shared that her small, artist driven organization, with a budget of less than \$70,000 per year, relied on the private contributions as they didn't have the capacity or the staff to apply for public dollars. The importance of private contributions is as important to small, community-based organizations as it is to larger nonprofit institutions.

Dance groups are economic drivers in their communities as well. As mentioned above, income derived from private contributions are used to pay taxable wages as well as materials needed for the productions including paint, lumber, and fabrics.

On a national level, nonprofit arts and culture organizations generated \$61.1 billion of economic activity and supported 4.13 million full-time jobs. (as reported by the Americans for the Arts report, *Arts and Economic Prosperity IV*). Foundation and government grants rarely fund overhead costs for nonprofits and these jobs often exist solely because of the contributions made to those arts organizations.

Efforts to limit the charitable deduction will have a profound effect on nonprofit arts organizations, whether it's a 28% cap for high-income individuals or a \$25,000 monetary cap. Recent studies demonstrate that capping the deduction at 28 could result in a decrease in giving ranging from \$1 billion to \$7 billion. The recent Presidential campaign elevated discussions around a monetary cap on deductions. According to an analysis by the National Association of Home Builders, the average married joint-filing taxpayer who itemized in 2009 claimed over \$17,000 in deductions for mortgage interest, state and local income taxes, and real estate taxes. A monetary cap would leave virtually nothing left for support for charities and would decimate the charitable deduction.

The following are examples of how Dance/USA's members serve their communities as a result of private contributions.

Now 44 years old, **Dance Theatre of Harlem** remains committed to the demonstration of excellence that has sustained it over the years. The Dance Theatre of Harlem Company, known for its thrilling performances, also offers extensive community engagement and arts exposure opportunities to 35,000 audience members annually in New York, across the country, and internationally. The Dance Theatre of Harlem School serves over 500 students in New York City and Detroit, Michigan. Dancing Through Barriers, our comprehensive arts education and community outreach program, provides residencies and performances in public schools, community centers and after school programs to over 10,000 participants annually. Other community-based programs include DTH's Sunday Matinee Series, Thursdays@DTH showcases and an Annual Street Festival. Dance Theatre of Harlem's newest initiative, Harlem Dance Works 3.0, seeks to build vibrancy in our home community of Hamilton Heights, taking the organization's hallmark of excellence to the streets to enrich the lives of their neighbors – where they live, work, shop, dine, receive services, worship, or attend school.

**Spectrum Dance Theater**, in Seattle, Washington, is committed to making dance accessible to audiences from different social, cultural, ethnic, and economic backgrounds. Spectrum Dance Theater teaches more than 500 students of all ages (from infants to octogenarians) each week and provides at least 120 hours of dance education per year in schools throughout the Seattle metropolitan area. In addition to their many community partnerships, Spectrum Dance Theater addresses Parkinson's Disease through the Dance for Parkinson's program. Professional dancers specially trained in the Dance for PD method address disease-specific concerns such as balance, flexibility, coordination, isolation, and depression.

**Jacob's Pillow Dance** is not only home to America's longest-running international dance festival, but "The Pillow" is also a treasured 220-acre National Historic Landmark and a recipient of the prestigious National Medal of Arts. As Representative Richard Neal (D-MA-01) noted at the February 14 hearing on Tax and the Charitable Deduction, the festival brings many tourists to the district each year, individuals crucial to the region's economy. The Festival features more than 50 dance companies and 200 free performances, talks, and events. Jacob's Pillow's Curriculum in Motion, geared toward K-12 students, allows youth to develop choreographic works through a co-teaching process between classroom teachers and the Pillow's roster of prominent artist-educators. These residencies meet national and state arts education standards and cover a wide range of academic studies including biology, literature, and natural sciences.

**Ballet Austin** believes in the democratization of dance, actively striving to engage the community, dancers, and audiences. In addition to providing sophisticated performances to the community, the company is also places high value on serving the community. The Butler Community School serves over 3,000 people of all ages and skill levels all year round and has developed outreach initiatives

that reach 31 Central Texas school districts, 200 area nonprofits, and engages families to dance together. The Family Dance Workshops encourages children and families to dance with together as professional dancers teach new skills and have fun. They even provide patches to Girl Scouts for participating. The Kids in Motion demonstrates how physical activity can be fun, offering organized play that gets young children moving with songs and action games and laying the foundation for a healthy and active life.

Government support for the arts has decreased as funding for the National Endowment for the Arts has dropped by more than \$20 million in the last two years. State arts councils have also struggled to maintain a level of funding to adequately support the arts. As you can see from the examples above, arts organizations and members of Dance/USA believe that the artistry that goes in to creating and performing dance is a critical to supporting the health of their neighborhoods.

While I understand that the nation is in the midst of a debt crisis, balancing the budget on the backs of nonprofits when the sector is already facing spending cuts will result in lost jobs and fewer programs. Unlike other deductions, the charitable deduction is unique in that it encourages individuals to decrease their income for the benefit of the community. Those individuals are not receiving the benefit of owning a car or home with this deduction. Rather, every cent of their donation is going toward improving the well being of the community.

While we believe that individuals will continue to give to the arts, a limit on the charitable deduction will certainly result in giving less. Imagine if the partnership were eliminated in your community due to a lack of funds. These arts partnerships engage the citizens, and when citizens are engaged they are productive, they give back, and they enrich the quality of lives of those around them.

The arts community, including dance groups, is part of the greater nonprofit ecosystem, working together to ensure that our neighborhoods and neighbors are provided for – whether that means providing sustenance to their bodies or souls.

On behalf of Dance/USA and our members, please preserve the charitable deduction that supports the work of nonprofits, including arts organizations that make our communities healthy and vibrant.

Thank you.

Amy Fitterer  
Executive Director  
Dance/USA  
1111 16<sup>th</sup> Street, NW, Suite 300  
Washington DC, 20036  
[www.danceusa.org](http://www.danceusa.org)

Contact Information:  
Brandon Gryde  
Dance/USA  
1111 16<sup>th</sup> Street, NW, Suite 300  
Washington DC, 20036  
202-833-1717  
[bgryde@danceusa.org](mailto:bgryde@danceusa.org)